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9 Attorneys for Defendant, United States Department of Education

10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA – SAN FERNANDO VALLEY DIVISION**

12  
13 In re

14 JULIA ARREYGUE,

15 Debtor.

16 JULIA ARREYGUE,

17 Plaintiff,

18 vs.

19 UNITED STATES DEPARTMENT OF  
EDUCATION,

20 Defendant.  
21  
22  
23  
24

Case No. 1:21-bk-10161-VK

Chapter 7

Adv. No. 1:21-ap-01022-VK

**STIPULATION RE DISCHARGE OF  
STUDENT LOAN DEBT**

Pre-Trial Conference:

Date: April 20, 2022

Time: 1:30 p.m.

Place: Courtroom 301

21041 Burbank Blvd.

Woodland Hills, CA 91367  
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1 This *Stipulation re Discharge of Student Loan Debt* (“Stipulation”) is entered into by and  
2 between the United States Department of Education, the defendant herein (“Education”), and  
3 Julia Arreygue, the plaintiff herein (“Plaintiff”), through their respective counsel of record (each  
4 a “Party” or collectively, the “Parties”), subject to Bankruptcy Court approval.

5 **RECITALS**

6 A. On January 31, 2021, Plaintiff commenced a voluntary petition for Chapter 7  
7 relief under the U.S. Bankruptcy Code, bearing Case No. 1:21-bk-10161-VK (“Bankruptcy  
8 Case”). On May 17, 2021, this Court entered an Order of Discharge in Plaintiff’s Bankruptcy  
9 Case under 11 U.S.C. Section 727 (Docket No. 16) (“Discharge Order”).

10 B. On or about July 24, 2021, Plaintiff filed a first amended complaint for the  
11 determination of dischargeability of student loan debt, pursuant to 11 U.S.C. Section 523(a)(8)  
12 (Docket No. 8) (“Complaint”), commencing the subject adversary proceeding (“Adversary  
13 Proceeding”).

14 C. Defendant timely filed an Answer to the Complaint (Docket No. 12).

15 D. A pre-trial conference in the Adversary Proceeding is scheduled for April 20,  
16 2022 at 1:30 p.m.

17 E. Education is the holder of all right, title and interest in a Federal Direct  
18 Consolidation Loan, of which Plaintiff is the obligor (“Student Loan”). Education extended the  
19 Student Loan to Plaintiff under the William D. Ford Federal Direct Loan Program under Title  
20 IV, Part D of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087(a) *et seq.* (34  
21 C.F.R. Part 685).

22 F. The Student Loan arises from Plaintiff’s execution, on May 5, 2000, of a Federal  
23 Direct Consolidation Loan Application and Promissory Note (“Note”). Education disbursed  
24 proceeds of the Student Loan obtained pursuant to the Note on July 3, 2000 in the principal  
25 amounts of \$3,435.72 and \$5,166.91, at an interest rate of 8.25% per annum.

26 G. The outstanding cumulative principal and interest balance on the Student Loan is  
27 approximately \$10,515.26, plus any and all ongoing interest accrual. There have been  
28 \$11,253.71 worth of payments made on the Loan.

1 H. The Parties have agreed to resolve the issues raised between them in the  
2 Adversary Proceeding on the terms and conditions expressed herein.

3 **STIPULATION**

4 1. Each of the Recitals set forth above is hereby incorporated into the Stipulation by  
5 this reference.

6 2. Plaintiff's Student Loan and the obligations owing under the Note shall be  
7 dischargeable as an undue hardship, pursuant to 11 U.S.C. § 523(a)(8).

8 3. The Discharge Order entered in favor of Plaintiff in the Bankruptcy Case includes  
9 the discharge of Plaintiff's Student Loan and the obligations owing under the Note.

10 4. Upon the entry of a final Bankruptcy Court order approving the terms of this  
11 Stipulation, the Adversary Proceeding shall be deemed to be dismissed with prejudice pursuant  
12 to Fed.R.Bank.P. 7041 and Fed.R.Civ.P. 41(a).

13 5. The terms of this Stipulation shall survive and be effective in any future  
14 bankruptcy filing under any chapter of the United States Bankruptcy Code by Plaintiff.

15 6. Any and all individual taxation consequences as a result of this Stipulation are the  
16 sole and exclusive responsibility of Plaintiff. Education does not warrant or make any  
17 representation with respect to any tax consequences of this Stipulation. Nothing contained herein  
18 shall constitute a waiver by Plaintiff of any right to challenge any tax consequences of this  
19 Stipulation.

20 7. This written agreement contains all of the agreements between the Parties, and is  
21 intended to be and is the final and sole agreement between the Parties. The Parties agree that any  
22 other prior or contemporaneous representations or understandings not explicitly contained in this  
23 written agreement, whether written or oral, are of no further legal or equitable force or effect.  
24 Any subsequent modifications to this agreement must be in writing, and must be signed and  
25 executed by the Parties.

26 8. The Parties to this Stipulation represent and warrant that they have reviewed and  
27 understand its contents. The Parties to this Stipulation further represent and warrant that each has  
28 the power to execute, deliver, and perform this Stipulation agreement; that each has taken all

1 necessary action to authorize the execution, delivery, and performance of this Stipulation  
2 agreement; and that this Stipulation is enforceable in accordance with its terms.

3 9. The Parties hereby acknowledge and agree that they have been represented by, or  
4 had the opportunity to seek representation by independent counsel of their own choice  
5 throughout all negotiations that preceded the execution of this Stipulation.

6 10. Plaintiff represents and acknowledges that she enters into this Stipulation freely  
7 and voluntarily. Plaintiff further acknowledges that she has had sufficient opportunity to consult  
8 with an attorney regarding the terms and conditions of this Stipulation.

9 11. It is contemplated that this Stipulation may be executed in several counterparts  
10 with a separate signature page for each party. All such counterparts and signature pages,  
11 collectively, shall be deemed to be one document.

12 12. The Parties agree to bear their own attorneys' fees and costs.

13 13. The Bankruptcy Court shall retain jurisdiction to enforce the terms of this  
14 Stipulation.

15 Dated: April 1st, 2022

By: 

JULIA ARREYGUE  
Plaintiff

17 Dated: April 1st, 2022

By: 

MICHAEL RICE  
Attorneys for Plaintiff, Julie Arreygue

20 Dated: April 1, 2022

TRACY L. WILKISON  
United States Attorney  
DAVID M. HARRIS  
Assistant United States Attorney  
Chief, Civil Division  
JOANNE S. OSINOFF  
Assistant United States Attorney  
Chief, General Civil Section

By: /s/ Elan S. Levey

ELAN S. LEVEY  
Assistant United States Attorney

Attorneys for Defendant, U. S. Department of  
Education

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
United States Attorney's Office, 300 N. Los Angeles Street, Room 7516, Los Angeles, California 90012

A true and correct copy of the foregoing document entitled **STIPULATION RE DISCHARGE OF STUDENT LOAN DEBT** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **April 4, 2022**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **David Keith Gottlieb (TR)** dkgttrustee@dkgallc.com,  
dgottlieb@iq7technology.com, rjohnson@dkgallc.com, akuras@dkgallc.com; ecf.alert+Gottlieb@titlexi.com
- **Elan S Levey** elan.levey@usdoj.gov, julie.morales@usdoj.gov
- **Michael Rice** michael@michaelricelaw.com
- **United States Trustee (SV)** ustpregion16.wh.ecf@usdoj.gov

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On **April 4, 2022**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

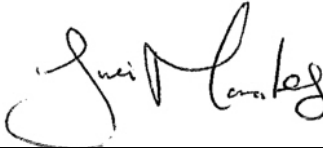
☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **April 4, 2022**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 4, 2022 JULIE MORALES  
Date Printed Name

  
Signature